

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services Agency – Airport Services	(2) MEETING DATE 3/6/2012	(3) CONTACT/PHONE Richard Howell, General Manager (805) 781-5205	
(4) SUBJECT Approve the creation of a new capital project for passenger terminal design and development and authorize a budget adjustment in the amount of \$1,147,502 from a Federal Grant and Passenger Facility Charges to fund New Terminal Design and Development project at the San Luis Obispo County Regional Airport.			
(5) RECOMMENDED ACTION General Services Agency recommends your Board: <ul style="list-style-type: none"> Approve a capital project for Passenger Terminal Design/Development at San Luis Obispo County Regional Airport to be conducted by the Airport's General Consultant, Reynolds, Smith & Hills (RS&H), and Authorize a budget adjustment in the amount of \$1,147,502 from a Federal Grant and Passenger Facility Charges to fund a New Terminal Design and Development project by a four-fifths vote. 			
(6) FUNDING SOURCE(S) FAA AIP Grant \$1,090,127 Passenger Facility Charges (PFC) \$57,375	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation (Time Est. _____) <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1112080 <input checked="" type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)		(14) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
(15) LOCATION MAP N/A	(16) BUSINESS IMPACT STATEMENT? No	(17) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date 8/18/2010, 9/6/2011	
(18) ADMINISTRATIVE OFFICE REVIEW			
(19) SUPERVISOR DISTRICT(S) District 3			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Airport / Richard Howell, General Manager
(805) 781-5205

DATE: 3/6/2012

SUBJECT: Approve the creation of a new capital project for passenger terminal design and development and authorize a budget adjustment in the amount of \$1,147,502 from a Federal Grant and Passenger Facility Charges to fund New Terminal Design and Development project at the San Luis Obispo County Regional Airport.

RECOMMENDATION

General Services Agency recommends your Board:

- Approve a capital project for Passenger Terminal Design/Development at San Luis Obispo County Regional Airport to be conducted by the Airport's General Consultant, Reynolds, Smith & Hills (RS&H), and
- Authorize a budget adjustment in the amount of \$1,147,502 from a Federal Grant and Passenger Facility Charges to fund a New Terminal Design and Development project by a four-fifths vote. .

DISCUSSION

In 2008, the County experienced first-hand capacity cuts made by the Airlines in response to \$150/barrel oil cost and the ongoing recession when the San Luis Obispo County Regional Airport (SBP) lost 23% of enplaning passengers due to airlines departing the market. The drop in enplanements over two years created a fiscal imbalance in FY 2009-10. A result of this was the cancelation of a previously approved project relating to development of a new Terminal complex.

Airport passenger levels rebounded with a substantial growth trend from the fourth quarter of FY 2009-10 and continued through all of FY 2010-11. This growth flattened the first six months of this fiscal year reflecting a 3.1% decrease year over year in enplaned passengers due to the downgrade of equipment by US Airways in July 2011. However, the enplanement levels for the CY 2011 were 137,604, substantially ahead of the low point of 121,326 posted in CY2009 and 3% ahead of CY 2010.

Calendar Year	Enplanements	Increase/ (Decrease)
2009	121,326	(23%)
2010	133,740	10.2%
2011	137,604	3%

On August 18, 2010, with your Board's approval, Airport Services division accepted a Federal grant under the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) for Design Services for construction of new terminal building. Under federal guidelines, all AIP grants must be expended within three years of award, therefore the Airport will lose the funding in August 2013. FAA has already expressed concern that no action has taken place on this grant.

On September 6, 2011, your Board approved a Master Contract with Reynolds, Smith & Hills (RS&H) for Aviation General Consulting Services to the Airport. One of the projects identified in this contract was design/development of a potential

new terminal building. To this end RS&H has submitted a Work Order for services relating to this project consisting of the following:

- Phase 1 – Conduct Terminal Area Plan
 - Terminal Area Analysis
 - Terminal Area Concept Alternatives
 - Development of cost estimates
 - Development of Funding Plan
 - Existing Terminal Re-Use Recommendations
- Phase 2 – Schematic Design
 - Site Plan Alternative Configurations
 - Floor Plan Alternative Configurations
 - Architectural Design
 - Engineering Design
 - Schematic Design Report
 - Cost Estimate Budget Development / Continuing Financial Analysis
- Phase 3 – Design Development
 - Performance of this Task will be based on the approved Schematic Design documents and shall further refine the design and establish the scope, relationships, forms, size and appearance of the project through plans, sections, elevations, details and outline specifications.

As passenger numbers have increased from the sharp decline of 2008 and given the anticipated continued long-term growth in passenger enplanements, the Airport and its customers continue to suffer from insufficient, inadequate and aged facilities in the existing terminal. Earlier studies have established the location of a new terminal and extensive landside and airside modifications have been completed to support that location. Regardless of the ultimate timeline for a new terminal, having the development plan that will result from this project will not only provide for continued capacity planning at the Airport but also position the County to take advantage of all outside funding opportunities should they become available. Moving forward with the project will also allow for maximum use of available Federal funding at this time.

As each Phase is completed, Airport Management will return to your Board to provide updates and receive approval to continue onto the next Phase. The end of Phase 3 will mark completion of this work order and Airport Management with the Consultant will present the completed work and begin discussion regarding next if, any, steps for the project.

The overall goal of the work order is to develop a plan for a phased approach for possible new terminal construction. The project is expected to take nine to twelve months. At the end of the project the consultant will have completed all actions necessary for the preparation of construction documents, but this work does not include the creation of such documents.

OTHER AGENCY INVOLVEMENT/IMPACT

Federal Aviation Administration provides AIP grant funding.

FINANCIAL CONSIDERATIONS

New Terminal Design and Development (WBS#330017) will be funded using an FAA Airport Improvement Program grant and the Airport's Passenger Facility Charges (PFC). The FAA share is 95% or \$1,090,127 and the local share covered by PFC will be \$57,375. RS&H will be performing the project based upon the previously approved master agreement mentioned above and a work order negotiated specifically for this assignment. As stated above, each phase of the project will be subject to your Board's review. At any time should the County wish to stop the project it may be done so with a thirty (30) day notice. It is anticipated that the project will be completed and all funding expended by the end of April 2013. Unlike the previous terminal initiative, this is a standalone project that does not commit the County to any additional work relating to a terminal concept.

RESULTS

With the approval of this project and budget adjustment, Airport Services will be able to move forward with developing a comprehensive approach to a possible new terminal program. It will create a plan with no financial exposure to the County by taking advantage of Federal funding due to expire in August 2013. Once completed, the project will position the County at a point where construction documents may be developed in a future project if desired. This action contributes to the community-wide goal of a "Livable Community" by establishing a manageable and controlled capacity development plan for the San Luis Obispo County Regional Airport.

ATTACHMENTS

1. Terminal Area Map

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